

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Tuesday, November 17, 2009 in Training Room 1 (A-C) of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

MEMBERS PRESENT: O. Whitfield Broome, Ph.D., CPA, Chairman
Lawrence D. Samuel, CPA
Regina P. Brayboy, MPA, MBA
William E. Hunt, CPA
Stephen D. Holton, CPA
Dian T. Calderone, MTX, CPA, Immediate Past Chairman

MEMBERS ABSENT: Tyrone E. Dickerson, CPA, Vice Chairman

STAFF PRESENT: Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator

**PRESENT FOR A
PORTION OF
THE MEETING:**

April Gunn, CPA, Director, Auditor of Public Accounts
Zach Borgerding, Audit-In-Charge, Auditor of Public Accounts
Derek Machado, Creator/Graphic Designer, Five19 Creative, LLC
Shawn Deane, Senior Project Manager & Vice President, Meridian Tech Group, Inc.

OTHERS PRESENT: Cynthia H. Norwood, Assistant Attorney General
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Jennifer Harris, Marketing Director, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Broome called the meeting to order at 10:13 a.m.

SECURITY BRIEFING

After the declaration of a quorum, Ms. Gilliam provided the emergency evacuation procedures.

APPROVAL OF AGENDA

Upon a motion by Mr. Samuel and duly seconded, the members voted unanimously to approve the November 17, 2009 agenda with amendments.

APPROVAL OF MEETING MINUTES

Upon a motion by Ms. Calderone and duly seconded, the members voted unanimously to approve the October 20, 2009 meeting minutes.

ACTION ITEMS

Mr. Jewell noted that there had not been any changes to the action items list from the previous month.

PUBLIC COMMENT

Members of the public were in attendance and were asked to introduce themselves.

Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants (VSCPA) advised the members that the Society is experiencing an overwhelming response to the expired license notifications sent.

Maureen Dingus, Executive Vice President, VSCPA advised the members that the Society's Board of Directors recently met to discuss the discrepancy between the number of licensed CPAs that are members of the VSCPA versus the number of licensed CPAs that are not members. Ms. Dingus would like to collaborate with the VBOA Executive Director in an effort to reach more of the regulant population.

2009 APA AUDIT/ENTRANCE PRESENTATION

April Gunn, CPA, Director and Project Manager, Auditor of Public Accounts (APA) led the discussion regarding the VBOA annual audit (FY09). The FY09 audit (including a review of the financial statements) is scheduled to begin either late this week or the beginning of the following week and will take approximately four weeks to complete. A review of documentation up through September 31, 2008 will not be required because the information was reviewed during the previous audit.

Ms. Gunn provided information regarding roles and responsibilities in the audit process, and the planned scope of the audit. Ms. Gunn advised fraud risks will be assessed by conducting interviews of the BOA staff. A report advising of any problems or issues will be presented at the December board meeting.

BOARD MEMBER/COMMITTEE UPDATES

Mr. Holton led the discussion regarding the proposed fast track regulatory package. The comprehensive review and analysis of the regulations is basically complete. The Governor's office has pre-approved the proposed fast track and the VBOA will continue the processes required to promulgate the regulations. The VSCPA is prepared to forward a letter in support of the proposed fast track regulations and publish an article once approval has been granted. In accordance with instructions from Ms. Norwood, the board will need to vote on the "final" package to be submitted. A public meeting was scheduled for Tuesday, November 24 for the board to discuss and vote on the proposed fast track regulations.

Mr. Samuel led the discussion regarding VBOA Frequently Asked Questions (FAQs). Mr. Samuel and Mr. Jewell met to review and discuss the current status. Mr. Samuel is proceeding with his review and editing of the FAQ's. Mr. Samuel indicated that he had also met with Ms. Calderone and Mr. Jewell prior to today's board meeting to discuss web design presentation. He will continue gathering information for the FAQs.

Mr. Hunt led the discussion regarding Peer Review. He had no new updates at this time. He will talk to Mr. Jewell to discuss a proposed Peer Review Oversight Committee and assess the budgetary impact to the agency. A recommendation will be made to the board at an upcoming board meeting, with a July 1, 2010 target begin date.

QUALIFIED INTERMEDIARY LEGISLATION

Mr. Samuel led the discussion regarding the proposed Qualified Intermediary legislation. Mr. Samuel advised that he has completed a review of the Qualified Intermediaries Licensing Act draft legislation. The draft legislation was implemented in response to the recent LandAmerica case. The Federation of Exchange Accommodators reports that California, Washington, Oregon, Colorado, and Maine have adopted the legislation. Following a comprehensive review of the draft legislation and participation in a teleconference, Mr. Samuel determined that under the current draft there is no impact to Virginia CPAs.

COMMUNICATIONS REPORT

Ms. Calderone led the discussion regarding VBOA communications. She has spent the last several months reviewing the board website and requesting feedback from students attending colleges and universities around the Commonwealth. Following a comprehensive review, it has been determined that many are not familiar with board requirements, the current website is not user-friendly, and better lines of communication must be implemented. Ms. Calderone advised that going forward it is important to keep the lines of communication open with educators as well.

Derek Machado, Creator/Graphic Designer, Five19 Creative, LLC and Shawn Deane, Senior Project Manager and Vice President of Meridian Tech Group, Inc. presented their web design services and a historical overview of their companies. They advised that content management, creative stability, search engine optimization, and navigation are important website functions. Information should be easily navigable and the website should possess the following: 1) a branded message, 2) the site should be functional (accessible through all major web browsers), 3) easy to use, 4) easy to maintain, and 5) easy to locate.

Building the site may pose a challenge because the VBOA's website is part of a larger group. The end result will be determined by server capabilities and Commonwealth requirements. Completion could take anywhere from four weeks to three months depending on how quickly VBOA could provided the necessary documentation.

Phase 1 of implementation would define a concept and brand message. Phase 2 would include the design of the web pages and content. Ms. Calderone will forward a draft web design/format for member review prior to the next meeting. Wade Jewell will research state requirements and follow-up with Mr. Machado and Mr. Deane.

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NASBA REGISTRY & QAS PROGRAM

Dr. Broome and Mr. Jewell provided a summary of the NASBA Registry and QAS program presentation from the October 20, 2009 meeting. No decisions have been made regarding VBOA continuing professional education registration requirements following this discussion. Dr. Broome and Mr. Jewell will collaborate and present a proposed board policy for discussion at the December board meeting.

EXECUTIVE DIRECTOR REPORT

Mr. Jewell notified the members that Mary Charity, the Licensing/Examinations Manager, has returned to work.

Mr. Jewell provided an update regarding VBOA My License Office (MLO) and eGov functionality. On October 8, 2009 and October 22, 2009 VBOA staff provided an overview to the Executive Director of system issues experienced internally and externally. Following a comprehensive review of the current system and a discussion regarding the previous system, it appears functionality has decreased from a customer service perspective. Mr. Jewell advised that he plans to contact Systems Automation (SA) to discuss the issues and seek resolution. SA has not provided an update regarding the browser issues. Mr. Jewell is also looking into the possibility of receiving assistance from the Virginia Productivity Investment Fund. The primary focus of the Productivity Investment Fund is to raise productivity by lowering operating costs and increasing operating efficiency of state agencies.

Mr. Jewell provided a summary of the presentation given by himself and Ms. Gilliam for Student Night sponsored by the Richmond Chapter of the VSCPA on Tuesday, October 27, 2009.

Mr. Jewell led the discussion regarding license types and the need for revisions to the categories in the VBOA database. Following a discussion, the members agreed to add a deceased category to the current license types.

Mr. Jewell provided the members with a sample policies form, which will be used to maintain an accurate account of board policies. Mr. Jewell will work with staff to determine what board policies are currently in effect, and bring those back to the board for discussion.

Mr. Jewell led the discussion regarding the VBOA financial statements. Pam Kamalakkannan, a contract employee hired to prepare the financial statements, was not available to attend the board meeting to answer questions. Mr. Jewell plans to meet with Ms. Kamalakkannan to discuss the financial statements prior to turning them over to the APA. Mr. Hunt indicated that he would have someone from his firm with governmental financial statement expertise review the content for comment and/or recommendation.

Lastly, Mr. Jewell advised the members that the VSCPA sent expired license notification to 2,000+ regulants. VBOA staff has received an overwhelming response to the letters, including numerous individuals requesting waivers of the \$250 reinstatement fee. Mr. Jewell will continue to point licensees to the regulatory requirement that emphasizes the responsibility to renew a license is that of the licensee, and that failure to renew will result in the \$250 reinstatement fee.

ADDITIONAL ITEMS FOR DISCUSSION

Dr. Broome advised the members that the six-month evaluation of the Executive Director has been completed and reviewed/(approved by Ms. Brayboy and Mr. Dickerson. The final letter will be forwarded to Debbie Rigdon (DHRM) for Mr. Jewell's file.

FUTURE MEETING DATES

Tuesday, December 15, 2009 – 10a.m.
Friday, January 22, 2010 – 10a.m.
Friday, April 23, 2010 – 10a.m.

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

Chairman Broome asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Dr. Broome and duly seconded, the meeting was adjourned by unanimous vote at 3:06 p.m. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Hunt, Mr. Holton, Ms. Calderone and Ms. Brayboy.

APPROVED:

O. Whitfield Broome, Ph.D., CPA, Chairman

COPY TESTE:

Wade A. Jewell, Executive Director